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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.
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09/125,479 05/06/99 LANCASTER

R LAUS-24408

EXAMINER

TM02/0828

THOMPSON & HOWISON
PO BOX 741715
DALLAS TX 75374-1715

RETTA, Y	
ART UNIT	PAPER NUMBER

2162
DATE MAILED:

08/28/01

16

Please find below and/or attached an Office communication concerning this application or proceeding.

Commissioner of Patents and Trademarks

SM

Office Action Summary

Application No.

09/125,479

Applicant(s)

Roger Lancaster

Examiner

Yehdega Retta

Art Unit

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-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136 (a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If the period for reply specified above is less than thirty (30) days, a reply within the statutory minimum of thirty (30) days will be considered timely.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133).
- Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

Status

1) ☒ Responsive to communication(s) filed on Jun 12, 2000

2a) ☐ This action is FINAL. 2b) ☒ This action is non-final.

3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 35 C.D. 11; 453 O.G. 213.

Disposition of Claims

4) ☒ Claim(s) 1-13 is/are pending in the applica

4a) Of the above, claim(s) _____ is/are withdrawn from considera

5) ☐ Claim(s) _____ is/are allowed.

6) ☒ Claim(s) 1-13 is/are rejected.

7) ☐ Claim(s) _____ is/are objected to.

8) ☐ Claims _____ are subject to restriction and/or election requirem

Application Papers

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☐ The drawing(s) filed on _____ is/are objected to by the Examiner.
- 11) ☐ The proposed drawing correction filed on _____ is: a) ☐ approved b) ☐ disapproved.
- 12) ☐ The oath or declaration is objected to by the Examiner.

Priority under 35 U.S.C. § 119

13) ☐ Acknowledgement is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d).

a) ☐ All b) ☐ Some* c) ☐ None of:

- ☐ Certified copies of the priority documents have been received.
- ☐ Certified copies of the priority documents have been received in Application No. _____
- ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

*See the attached detailed Office action for a list of the certified copies not received.

14) ☐ Acknowledgement is made of a claim for domestic priority under 35 U.S.C. § 119(e).

Attachment(s)

15) ☒ Notice of References Cited (PTO-892)

18) ☐ Interview Summary (PTO-413) Paper No(s). _____

16) ☐ Notice of Draftsperson's Patent Drawing Review (PTO-948)

19) ☐ Notice of Informal Patent Application (PTO-152)

17) ☐ Information Disclosure Statement(s) (PTO-1449) Paper No(s). _____

20) ☐ Other: _____

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DETAILED ACTION

Response to Amendment

1. This office action is in response to amendment filed on 6/11/01.

Response to Arguments

2. Applicant's arguments with respect to claims 1-13 have been considered but are moot in view of the new ground(s) of rejection.

Claim Rejections - 35 USC § 112

3. The following is a quotation of the second paragraph of 35 U.S.C. 112:

The specification shall conclude with one or more claims particularly pointing out and distinctly claiming the subject matter which the applicant regards as his invention.

4. Claim 1 recites the limitation "the contract exchange is operable to create..." in page 1 lines 9-12. There is insufficient antecedent basis for this limitation in the claim. The claim has been amended, and now recites "a system for effecting a contract exchange...".

5. Claims 2-5 are rejected as being dependent on rejected claim 1.

6. The following is a quotation of the second paragraph of 35 U.S.C. 112:

The specification shall conclude with one or more claims particularly pointing out and distinctly claiming the subject matter which the applicant regards as his invention.

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7. Claims 1-13 are rejected under 35 U.S.C. 112, second paragraph, as being indefinite for failing to particularly point out and distinctly claim the subject matter which applicant regards as the invention.

8. Claim 1 is confusing because it is an improperly drafted system claim. The claim clearly begins in the preamble by reciting a system for affecting a contract exchange between two parties, a buyer and a seller. The system comprising of a clearing house computer; a cash depositing facility comprising a computer based cash management fund electronically linked to said central clearing house computer and an automated real time screen trading system operated by investors, however the rest of the claim are not part of the system as they merely define features involved in the contract exchange.

9. Claims 2-5 are rejected as being dependent on claim 1.

10. Claim 6 is not clear because it is an improperly drafted method claim. The preamble claims a protocol for trading on a contract exchange, which contract exchange provides a place to create and store contracts between parties comprising the steps of: It is not clear whether it is the contract exchange or the protocol that provides a place to create and store contracts between parties.

11. Claims 7-9 are rejected as being dependent on claim 6.

12. Claim 10 is confusing because it is an improperly drafted system claim. The claim clearly begins in the preamble by reciting a method for providing a unique indivisible.... Only one step is cited, "providing a clearing house that is operable to hold options..." however none of

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the remaining items appearing in the body of the claim comprises a method step; again they merely define who is involved in the contract and features of the contract.

13. 11-13 are rejected as being dependent on claim 10.

Claim Rejections - 35 USC § 102

14. The following is a quotation of the appropriate paragraphs of 35 U.S.C. 102 that form the basis for the rejections under this section made in this Office action:

A person shall be entitled to a patent unless --

(e) the invention was described in a patent granted on an application for patent by another filed in the United States before the invention thereof by the applicant for patent, or on an international application by another who has fulfilled the requirements of paragraphs (1), (2), and (4) of section 371© of this title before the invention thereof by the applicant for patent.

15. Claims 1-13 are rejected under 35 U.S.C. 102(e) as being clearly anticipated by Shepherd U.S. Patent No. 5,970,479.

16. As per claims 1, Shepherd disclose a central clearing house computer; a cash deposition facility, such as computer based cash management fund, electronically linked to the central clearing house computer; and automated real time screen trading system linked to the central clearing house computer; contract exchange creates, trades and closes indivisible financial package contracts each of which have two parties, a buyer and seller (see fig. 1 and col. 9 line 42 to col. 10 line 23); credit immediately transferred from the trading account of the party making the loss to the party making the profit (see col. 24 lines 59-67).

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Examiner did not give weight to the following cited limitations, "the price of the contracts being determined by a market; the contract are leveraged and investors make sufficient funds available to a trading account from a depositing facility account (bank) to cover the proportion of the value of a contract, as determined by the gearing (leverage) ratio; as the price moves in the market, the parties to contracts gain or lose the entire changed value of the contracts they hold; either the buyer or the seller makes an incremental profit after each price movement and the counter party makes an incremental loss; since they are not part of the claimed system which comprises of the central clearing house and the cash depositing facility. the clearing house operated to hold options on all the contracts and is able to exercise its option rights to dispose of some or all of a party's contracts in the market if that party's trading, or assigned funds became insufficient to cover the proportion of the value of the contracts held, as determined by the leverage ratio; should the clearing house be unable to dispose of the contracts required in the market then when the contract price moves such that the party's funds fall to zero, it is able to close all that party's contracts at that price, simultaneously closing all the contracts held by the counter parties; closing takes place without delay and without the involvement of any other parties",

17. Regarding claim 6, Shepherd disclose a central clearing house; a cash deposition facility, such as computer based cash management fund, electronically linked to the central clearing house computer; and automated real time screen trading system linked to the central clearing house computer; contract exchange creates, trades and closes indivisible financial package

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contracts each of which have two parties, a buyer and seller (see fig. 1 and col. 9 line 42 to col. 10 line 23); credit immediately transferred from the trading account of the party making the loss to the party making the profit (see col. 24 lines 59-67).

18. Regarding claim 10, Shepherd discloses a clearing house that is operable to hold options on all contract of the party.... (see col. 9 lines 42 to col. 10 line 23 and col. 32 line 61 to col. 33 line 7).

19. Dependent claims 2-5, 7-9 and 11-13 are rejected as being dependent on rejected claims.

Conclusion

20. The prior art made of record and not relied upon is considered pertinent to applicant's disclosure.

Earle U.S. Patent No. 5,262,942, Financial transaction network.

Money market futures, Economic Review; Richmond; Nov/Dec 1992; Kuprianov, Anatoli.

Electronic trading, market structure and liquidity: Financial Analysis Journal; Charlottesville; Jan-Feb 1994; Massimb, Marcel N; Pheleps, Bruce D.

21. Any inquiry concerning this communication or earlier communications from the examiner should be directed to Yehdega Retta whose telephone number is (703) 305-0436. The examiner can normally be reached on Monday-Friday from 7:30 a.m. to 4:00 p.m.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Eric Stamber can be reached on (703) 305-8694. Any response to this office action should be mailed to:

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Commissioner of Patents and Trademarks
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or faxed to:

(703) 308-9051, (for formal communications intended for entry)

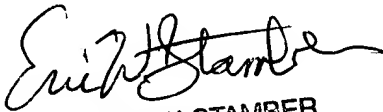
or:

(703) 308-5397, (for informal or draft communications, please label "PROPOSED" or "DRAFT")

Hand-delivered responses should be brought to Crystal Park II, 2121 Crystal Drive Arlington, Virginia, (Receptionist).

Any inquiry of a general nature or relating to the status of this application should be directed to the Group receptionist whose telephone number is (703) 305-3900.

Examiner
Yehdega Retta
Art Unit 2162
August 27, 2001


ERIC W. STAMBER
PRIMARY EXAMINER